

RELIANCE

MUTUAL
FUND

Markets for You

21 Jul 2017

Indices Performance

Global Indices	20-Jul	Prev_Day	Abs. Change	% Change [#]
Dow Jones	21,612	21,641	-29	-0.13
Nasdaq	6,390	6,385	5	0.08
FTSE	7,488	7,431	57	0.77
Nikkei	20,145	20,021	124	0.62
Hang Seng	26,740	26,672	68	0.26
Indian Indices	20-Jul	Prev_Day	Abs. Change	% Change [#]
S&P BSE Sensex	31,904	31,955	-51	-0.16
Nifty 50	9,873	9,900	-26	-0.27
Nifty 100	10,217	10,247	-29	-0.29
Nifty Bank	24,213	24,153	61	0.25
SGX Nifty	9,897	9,920	-23	-0.23
S&P BSE Power	2,299	2,301	-2	-0.09
S&P BSE Small Cap	16,000	15,975	25	0.16
S&P BSE HC	14,918	15,022	-104	-0.69

P/E Dividend Yield

Date	Sensex		Nifty	
	P/E	Div. Yield	P/E	Div. Yield
20-Jul	23.37	1.23	25.22	1.01
Month Ago	22.90	1.24	24.36	1.10
Year Ago	20.40	1.40	23.49	1.21

Nifty 50 Top 3 Gainers

Company	20-Jul	Prev_Day	% Change [#]
Axis Bank	540	520	3.81
ONGC	166	163	1.75
HDFC Bank	1711	1692	1.10

Nifty 50 Top 3 Losers

Company	20-Jul	Prev_Day	% Change [#]
Tata Steel	557	571	-2.45
Bharti Infratel	406	415	-2.18
Aurobindo Pharma	751	766	-2.00

Advance Decline Ratio

	BSE	NSE
Advances	1264	782
Declines	1456	903
Unchanged	149	74

Institutional Flows (Equity)

Description (Cr)	Inflow/Outflow	YTD
FII Flows*	1017	56156
MF Flows**	-187	45648

*20th Jul 2017; **18th Jul 2017

Economic Indicator

YoY(%)	Current	Quarter Ago	Year Ago
WPI	0.90%	5.11%	-0.09%
	(Jun-17)	(Mar-17)	(Jun-16)
IIP	1.70%	0.80%	8.00%
	(May-17)	(Feb-17)	(May-16)
GDP	6.10%	7.00%	9.20%
	(Mar-17)	(Dec-16)	(Mar -16)

Since May-17, MOSPI has revised base year of IIP & WPI from 2004-05 to 2011-12, and for CPI from 2010 to 2012

Global Indices

- Asian markets ended mixed – they grew following the Bank of Japan’s decision to leave its monetary policy unchanged. Positive trade figures also helped sentiment – while exports grew 9.70% YoY in Jun 2017, trade balance returned to surplus. Rise in oil prices after weekly dip in U.S. inventories also helped gains. Today (As on Jul 21), Asian market opened mixed amid greater political uncertainty in the U.S. While Nikkei Average was trading lower 0.22%, Hang Seng was up 0.01% (as at 8.00 a.m IST).
- As per the last close, European market closed on a mixed note after remaining in a sideways trend. Corporate earnings reports continue to impact the market movement but focused was on European Central Bank’s (ECB) policy meeting. The central bank kept interest rates and asset purchases unchanged. ECB President indicated that the asset purchase program would continue until there is a sustained adjustment in the path of inflation consistent with the bank’s target.
- As per the last close, U.S. market were little changed after moving in a range. Lackluster trading activity was witnessed, which indicates uncertainty about the outlook for the markets.

Indian Equity Market

- Indian equity markets closed in the red, with IT, metal and auto sectors moving down on selling pressure. Meanwhile, the Bank of Japan left its monetary policy unchanged while investors awaited monetary policy decision by the European Central Bank due later during the day.
- Key benchmark indices S&P BSE Sensex and Nifty 50 went down 0.16% and 0.27% to close at 31,904.40 and 9,873.30, respectively. Meanwhile, S&P BSE MidCap dropped 0.52% while S&P BSE SmallCap grew 0.16%.
- The overall market breadth on BSE was negative with 1,456 scrips declining and 1,264 scrips advancing. A total of 149 scrips remained unchanged.
- On the BSE sectoral front, most indices closed in the negative. S&P BSE Metal, down 0.96%, was the highest loser, followed by S&P BSE Basic Materials (-0.84%), S&P BSE IT (-0.82%), and S&P BSE Healthcare and S&P BSE Teck (both down 0.69%). Top gainers comprised S&P BSE Realty (0.47%), S&P BSE Finance (0.23%), S&P BSE Capital Goods (0.22%), S&P BSE Bankex (0.19%), and S&P BSE Industrials (0.05%).

Domestic News

- The Asian Development Bank projected the Indian economy to grow 7.4% in 2017 and 7.6% in the next year, which it attributed to strong consumption demand. On a separate note, ADB has upgraded its growth outlook in the Asian region to 5.9% in 2017 from 5.7% and to 5.8% for 2018 from 5.7%.
- The Union cabinet approved 15% hike in salaries for public sector company employees. Higher wages are effective from Jan 1, 2017. According to media reports, this is the lowest hike so far as recommended by the Pay Commission. The previous commission gave a 37.2% hike in 2007 and the first commission had given hike between 24% and 30%.
- A major credit rating agency is of the view that the resolution of bad loans may adversely affect the Indian banking sector. The rating agency also thinks that banks may have to write-off as much as 60% of the outstanding loans from the top 50 stressed companies that are unable to repay loans and are engaged in insolvency battles. The rating agency estimated the loss at Rs. 2.4 lakh crore as the universe of debtor accounts for about Rs. 4 lakh crore of loans.
- Wipro reported an 8% QoQ decrease in net profit to Rs. 2,076.50 crore for the quarter ended Jun 30 compared with Rs. 2,261.10 crore reported in the last quarter. Total income for the quarter stood at Rs. 13,661.40 crore compared with Rs. 14,470.20 crore in the previous quarter. The company also announced a share buyback of Rs. 11,000 crore.
- Kotak Mahindra Bank reported a 26% YoY increase in consolidated net profit to Rs. 1,347 crore for the quarter ended Jun 30 compared with Rs. 1,067 crore reported in the same quarter last year. Increase in profit was majorly due to increase in the bank’s net interest income and other income by 17% and 23%, respectively.
- Bajaj Auto reported a 19.51% YoY decrease in consolidated net profit to Rs. 863.79 crore for the quarter ended Jun 30 compared with Rs. 1,039.70 crore reported in the same quarter last year. Changeover from BS-III to BS-IV vehicles and transition to the new Goods and Services Tax regime led to decline in the profit.

FII Derivative Trade Statistics			
	20-Jul		
(Rs Cr)	Buy	Sell	Open Int.
Index Futures	1530.78	1324.35	22007.37
Index Options	41954.53	41107.70	85102.40
Stock Futures	8782.08	8832.14	64052.21
Stock Options	6435.44	6544.27	8019.24
Total	58702.83	57808.46	179181.22

Derivative Statistics- Nifty Options			
	20-Jul	Prev_Day	Change
Put Call Ratio (OI)	1.36	1.46	-0.10
Put Call Ratio(Vol)	1.10	1.30	-0.20

Debt Watch				
	20-Jul	Wk. Ago	Mth. Ago	Year Ago
Call Rate	6.05%	6.05%	6.08%	6.45%
CBLO	6.16%	6.15%	6.20%	6.48%
Repo	6.25%	6.25%	6.25%	6.50%
Reverse Repo	6.00%	6.00%	6.00%	6.00%
91 Day T-Bill	6.10%	6.15%	6.20%	6.54%
364 Day T-Bill	6.21%	6.28%	6.38%	6.74%
10 Year Gilt	6.45%	6.46%	6.45%	7.27%
G-Sec Vol. (Rs.Cr)	32732	66625	55434	103985
1 Month CP Rate	6.44%	6.50%	6.56%	7.00%
3 Month CP Rate	6.56%	6.64%	6.70%	7.28%
5 Year Corp Bond	7.19%	7.22%	7.27%	7.82%
1 Month CD Rate	6.22%	6.26%	6.28%	6.50%
3 Month CD Rate	6.27%	6.30%	6.35%	6.65%
1 Year CD Rate	6.52%	6.61%	6.66%	7.29%

Currency Market			
Currency	20-Jul	Prev_Day	Change
USD/INR	64.43	64.32	0.11
GBP/INR	83.92	83.86	0.06
EURO/INR	74.19	74.23	-0.04
JPY/INR	0.57	0.57	0.00

Commodity Prices				
Commodity	20-Jul	Wk Ago	Mth. Ago	Year Ago
NYMEX Crude(\$/bl)	46.68	46.01	43.29	44.91
Brent Crude(\$/bl)	48.13	47.74	43.02	45.51
Gold(\$/oz)	1244	1217	1243	1316
Gold(Rs./10 gm)	28165	27936	28531	30742

Source: ICRON Research

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Derivatives Market

- Nifty Jul 2017 Futures were at 9,888.05 points, a premium of 14.75 points above the spot closing of 9,873.30. The turnover on NSE's Futures and Options segment went up from Rs. 5,44,812.69 crore on Jul 19 to Rs. 9,90,732.65 crore on Jul 20.
- The Put-Call ratio stood at 1.02 compared with the previous session's close of 1.07.
- The Nifty Put-Call ratio stood at 1.36 compared with the previous session's close of 1.46.
- The open interest on Nifty Futures stood at 22.05 million as against previous session's close of 22.06 million.

Indian Debt Market

- Bond yields remained almost steady as investors deferred purchases ahead of a weekly debt auction of four bonds worth Rs. 150 billion by the Reserve bank of India (RBI) on Jul 21.
- Yield on the 10-year benchmark paper (6.79% GS 2027) stood unchanged at 6.45%.
- Banks' borrowings under the repo window of the Liquidity Adjustment Facility (LAF) stood at Rs. 1,975 crore (gross) on Jul 20, up from Rs. 1,820 crore (gross) borrowing on Jul 19. Sale of securities under RBI's reverse repo window stood at Rs. 4,284 crore on Jul 19.
- Banks did not borrow under the central bank's Marginal Standing Facility on Jul 19 as against a borrowing of Rs. 10 crore on Jul 18.
- RBI conducted a 27-day variable rate reverse repo auction for a notified amount of Rs. 10,000 crore for which Rs. 10,004 crore was allotted at a cut-off rate of 6.24%.

Currency Market Update

- The Indian rupee weakened against the U.S. dollar and witnessed the biggest single day fall in almost two weeks as foreign banks increased greenback purchases, likely on behalf of large corporate and oil companies.
- The euro surged to its highest level since late Aug 2015 against the greenback after the ECB president indicated plans for policymakers to begin discussing possible changes to its quantitative easing program in Sep 2017.

Commodity Market Update

- Gold prices fell as investors preferred to be on the sidelines ahead of the European Central Bank meeting's outcome for further cues.
- Brent crude prices inched up after data from the Energy Information Administration (EIA) showed that the U.S. crude inventories dropped by 4.7 million barrels in the week to Jul 14.

International News

- The European Central Bank (ECB) kept interest rates and its massive stimulus program unchanged for the eleventh consecutive month in its monetary policy review. The main refinancing rate was held at a record low of 0% and the deposit rate at -0.40%. The marginal lending facility rate was kept at 0.25%. The bank also retained its asset purchases of €60 billion a month till Dec 2017, or beyond, if necessary.
- The Bank of Japan kept its monetary stimulus unchanged and decided to maintain -0.1% interest rate on current accounts that financial institutions maintain at the bank. The central bank will also purchase government bonds so that 10-year Japanese Government Bonds (JGB) yield remains at around 0%.

Thank you for
your time.